BEFORE THE BOARD OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES STATE OF UTAH

IN THE MATTER OF THE REQUEST FOR AGENCY **NEWFIELD** ACTION OF PRODUCTION COMPANY FOR AN ORDER MODIFYING THE BOARD'S ORDERS ENTERED IN CAUSE NOS. 139-8, 131-51 AND 139-90 TO 1280-ACRE **ESTABLISH** SPECIAL SUBSTANTIAL EQUIVALENT) DRILLING UNITS, ON A PILOT BASIS, FOR THE PRODUCTION OF OIL, GAS AND ASSOCIATED HYDROCARBONS FROM THE UPPER WASATCH FORMATION FROM HORIZONTAL WELLS, COMPRISED OF SECTIONS 15 AND 22, T3S, R2W, USM, AND SECTIONS 6 AND 7, T3S, R3W, USM, RESPECTIVELY, DUCHESNE COUNTY, UTAH.

NOTICE OF HEARING

Docket No. 2013-012 Cause No. 139-103

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE FOLLOWING MATTER.

Notice is hereby given that the Board of Oil, Gas and Mining ("Board"), State of Utah, will conduct a hearing on **WEDNESDAY**, **APRIL 24**, **2013**, **at 9:00 AM**, or as soon thereafter as possible, in the auditorium of the Department of Natural Resources, 1594 West North Temple, Salt Lake City, Utah.

The hearing will be conducted as a formal administrative adjudication in accordance with the rules of the Board as set forth in Utah Administrative Code R641 et seq. and as provided for in Utah Code Ann. § 40-6-1 et seq. and Utah Code Ann. § 63G-4-101 through 601.

The purpose of the hearing will be for the Board to receive testimony and evidence regarding a Request for Agency Action that the Board enter an Order:

1. Modifying the 139-8, 131-51 and 139-90 Orders to establish special 1,280-acre (or substantial equivalent combination of lots and quarter-quarter sections) drilling units, on a pilot basis, for the production of oil, gas and hydrocarbons from the Upper Wasatch formation, defined for purposes of this cause as follows:

the base of the Uteland Butte Member of the Lower Green River formation to the top of the Wasatch Red Beds, being the stratigraphic equivalent of the interval

from 8,765 feet to 9.967 feet MD as identified in the Dual Induction Log run on March 7, 1972 in the JW Accawinna # 1 Well located in the NE¼SW¼ of Section 13, T3S, R3W, USM,

from horizontal wells, comprised of the following respective Duchesne County, Utah lands:

Township 3 South, Range 2 West, USM Sections 15 and 22: All

Township 3 South, Range 3 West, USM Sections 6 and 7: All

(collectively the "Subject Lands"), and authorizing one horizontal well to be drilled on each such unit; provided, however, that within a reasonable time after analysis of the pilot program results but, in any event, not more than two years after entry of the Order, Newfield (or its successor operator) report back to the Board on the success or failure of the program; and

- 2. Providing that no producing interval of the authorized horizontal lateral may be located closer than 660 feet to the boundaries of said special drilling unit, without obtaining an exception location approval in accordance with Utah Admin. Code Rule R649-3-3; and
- 3. Providing that the surface location of the authorized horizontal well not only may be anywhere upon the special drilling unit, but may also be located off the drilling unit presuming proper surface and sub-surface authorization for such a location has been obtained from the owners and the set backs for the laterals set forth in (2) above are maintained.; and
- 4. Providing that any horizontal well drilled pursuant to the Order, if granted, may not be plugged back or recompleted to produce from any other formation other than the Upper Wasatch formation (defined above), and no vertical or other horizontal wells located upon the Subject Lands may be perforated to produce from the Upper Wasatch formation (defined above), without further authorization from the Board; and
- 5. Providing that the 139-8 and 131-51 Orders, as modified by the 139-90 Order, and the 139-90 Order itself remain in full force and effect as to all formations covered thereby except as the Upper Wasatch formation and except as otherwise provided in the 139-98 Order, including the right of the operator to drill up to four (4) wells, whether vertical or horizontal, on each drilling unit so established to produce from said formations subject to the same limitations set forth in said Orders; and
- 6. Providing for such other and further relief as may be just and equitable under the circumstances.

Objections to the Request for Agency Action must be filed with the Secretary of the Board at the address listed below no later than the 10th day of the month, or two weeks before

the scheduled hearing, whichever is earlier. A party must file a timely written objection or other response in order to participate as a party at the Board hearing.

Natural persons may appear and represent themselves before the Board. All other representation by parties before the Board will be by attorneys licensed to practice law in the State of Utah, or attorneys licensed to practice law in another jurisdiction which meet the rules of the Utah State Bar for practicing law before the Utah Courts.

Persons interested in this matter may participate pursuant to the procedural rules of the Board. The Request for Agency Action, and any subsequent pleadings, may be inspected at the office of the undersigned.

Pursuant to the Americans with Disabilities Act, persons requiring auxiliary communicative aids and services to enable them to participate in this hearing should call Julie Ann Carter at (801) 538-5277, at least three working days prior to the hearing date.

DATED this 28th day of March, 2013.

STATE OF UTAH BOARD OF OIL, GAS AND MINING James T. Jensen, Chairman

s/Julie Ann Carter

Board Secretary

1594 West North Temple, Suite 1210

Salt Lake City, Utah 84116

(801) 538-5277

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing **NOTICE OF HEARING** for Docket No. 2013-012, Cause No. 139-103 to be mailed via E-Mail, or First Class Mail, with postage prepaid, this 29th day of March, 2013, to the following:

Frederick M. MacDonald MacDonald & Miller Mineral Legal Services, PLLC Attorney for Petitioner 7090 Union Park Avenue, Suite 420 Salt Lake City, UT 84047

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Kathy Louise Hardinger 3415 RR3 Myton, UT 84052

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Ute Distribution Corporation PO Box 696 Roosevelt, UT 84066

United States of America Bureau of Land Management Utah State Office Attn: Roger L. Bankert Chief-Branch of Fluid Minerals P.O. Box 45155 Salt Lake City, UT 84145-0155

United States of America Bureau of Indian Affairs Uintah and Ouray Reservation P.O. Box 130 Ft. Duchesne, UT 84026

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United States of America Bureau of Land Management Vernal Field Office Attn: Jerry Kenczka 170 South 500 East Vernal, UT 84078

Andrew Stein (no valid address known or disclosed)

Heris or Devisees Lucille Conyers (no valid address known or disclosed)

Julie Am Cartr

CERTIFICATE OF PUBLISHED NOTICE

I hereby certify that I caused a true and correct copy of the foregoing NOTICE OF HEARING for Docket No. 2013-012, Cause No. 139-103 to be PUBLISHED in the following newspapers on the following days:

April 7, 2013:

<u>The Salt Lake Tribune</u> and <u>Deseret Morning News</u>, newspapers of general circulation in Salt Lake City and County.

April 2, 2013:

<u>Uintah Basin Standard</u>, a newspaper of general circulation in Duchesne and Uintah Counties.

Julie Am Cartar